

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 373

# HOUSE BILL 2625

AN ACT

AMENDING SECTIONS 41-704, 42-5252 AND 42-5253, ARIZONA REVISED STATUTES;  
RELATING TO EMERGENCY TELECOMMUNICATION SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-704, Arizona Revised Statutes, is amended to  
3 read:

4 41-704. Emergency telecommunication services; administration;  
5 revolving fund

6 A. The director of the department of administration shall:

7 1. Adopt rules and procedures for administering and disbursing monies  
8 deposited in the emergency telecommunication services revolving fund, and at  
9 least quarterly review and approve requests by political subdivisions of this  
10 state for payment for operating emergency telecommunication service systems.

11 2. Each IN fiscal year 2001-2002 AND EVERY TWO YEARS THEREAFTER,  
12 recommend to the legislature the amount of the telecommunication services  
13 excise tax that will be required during the following TWO fiscal year YEARS  
14 for purposes of this section, with supporting documentation and information.  
15 THE LEGISLATURE SHALL REVIEW THE RECOMMENDATION AND TAKE LEGISLATIVE ACTION  
16 REGARDING THE RECOMMENDATION.

17 3. SEPARATELY ACCOUNT FOR COSTS ASSOCIATED WITH WIRELESS ACCESS  
18 SERVICE FOR EMERGENCY TELECOMMUNICATION SERVICE SYSTEMS AND REPORT THOSE  
19 COSTS TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
20 REPRESENTATIVES BY DECEMBER 31, 2002.

21 B. An emergency telecommunication services revolving fund is  
22 established to be administered by the director. The fund shall be used for:

23 1. Necessary or appropriate equipment or service for implementing and  
24 operating emergency telecommunication services through political subdivisions  
25 of this state. PRIORITY SHALL BE GIVEN TO ESTABLISHING EMERGENCY  
26 TELECOMMUNICATION SERVICES IN THOSE AREAS OF THE STATE THAT ARE WITHOUT  
27 EMERGENCY TELECOMMUNICATION SERVICES.

28 2. Necessary or appropriate administrative costs or fees for  
29 consultants' services, not to exceed three per cent of the amounts deposited  
30 annually in the revolving fund. FOR FISCAL YEARS BEGINNING AFTER JUNE 30,  
31 2001, THE DEPARTMENT MAY USE UP TO TWO-THIRDS OF THE THREE PER CENT OF THE  
32 AMOUNTS DEPOSITED ANNUALLY IN THE REVOLVING FUND FOR ADMINISTRATIVE COSTS.  
33 THE REMAINDER OF THE THREE PER CENT MAY BE ALLOCATED FOR LOCAL NETWORK  
34 MANAGEMENT OF CONTRACTS WITH PUBLIC SAFETY ANSWERING POINTS FOR EMERGENCY  
35 TELECOMMUNICATION SERVICES.

36 3. Monthly recurring costs of emergency telecommunication services,  
37 including expenditures for capital, maintenance and operation purposes.

38 4. A WIRELESS CARRIER'S COSTS ASSOCIATED WITH THE PROVISION,  
39 DEVELOPMENT, DESIGN, CONSTRUCTION AND MAINTENANCE OF THE WIRELESS EMERGENCY  
40 TELECOMMUNICATION SERVICES IN AN AMOUNT THAT THE WIRELESS CARRIER HAS NOT  
41 RECOVERED THROUGH THE DEDUCTION MECHANISM SPECIFIED IN FEDERAL LAW.

42 C. At the end of each fiscal year, any unexpended monies in the fund,  
43 including interest, shall be carried over and do not revert to the general  
44 fund but shall be applied to the extent possible to reduce the levy under

1 section 42-5252, subsection A, paragraphs 1, and 2 AND 3 for the following  
2 fiscal year.

3 Sec. 2. Section 42-5252, Arizona Revised Statutes, is amended to read:

4 42-5252. Levy of tax

5 A. A tax is levied ON EVERY PROVIDER in an amount:

6 ~~1. Of one and one-fourth per cent of the provider's gross proceeds of~~  
7 ~~sales or gross income derived from the business of providing exchange access~~  
8 ~~services for the purpose of financing emergency telecommunication services.~~

9 ~~2. Of ten cents a month on a wireless provider for each activated~~  
10 ~~wireless service for the purpose of financing emergency telecommunication~~  
11 ~~services.~~

12 1. FOR THE FISCAL YEARS BEGINNING FROM AND AFTER JUNE 30, 2001 AND  
13 ENDING BEFORE JULY 1, 2006, THIRTY-SEVEN CENTS PER MONTH FOR EACH ACTIVATED  
14 WIRE AND WIRELESS SERVICE ACCOUNT FOR THE PURPOSE OF FINANCING EMERGENCY  
15 TELECOMMUNICATION SERVICES.

16 2. FOR THE FISCAL YEARS BEGINNING FROM AND AFTER JUNE 30, 2006 AND  
17 ENDING BEFORE JULY 1, 2007, TWENTY-EIGHT CENTS PER MONTH FOR EACH ACTIVATED  
18 WIRE AND WIRELESS SERVICE ACCOUNT FOR THE PURPOSE OF FINANCING EMERGENCY  
19 TELECOMMUNICATION SERVICES.

20 3. FOR THE FISCAL YEARS BEGINNING FROM AND AFTER JUNE 30, 2007, TWENTY  
21 CENTS PER MONTH FOR EACH ACTIVATED WIRE AND WIRELESS SERVICE ACCOUNT FOR THE  
22 PURPOSE OF FINANCING EMERGENCY TELECOMMUNICATION SERVICES.

23 ~~3. 4. Of One and one-tenth per cent of the provider's gross proceeds~~  
24 ~~of sales or gross income derived from the business of providing exchange~~  
25 ~~access services for the purpose of financing telecommunication devices for~~  
26 ~~the deaf and the severely hearing and speech impaired under the program~~  
27 ~~established pursuant to section 36-1947.~~

28 B. EACH PROVIDER SHALL STATE ON THE INVOICE TO CUSTOMERS A SEPARATE  
29 LINE ITEM STATING THE AMOUNT OF TAX LEVIED PURSUANT TO SUBSECTION A OF THIS  
30 SECTION.

31 ~~B.~~ C. Unless the context otherwise requires, article 1 of this  
32 chapter governs the administration of the tax imposed under this section.

33 Sec. 3. Section 42-5253, Arizona Revised Statutes, is amended to read:

34 42-5253. Remission and distribution of revenues

35 A. Each provider shall remit monthly to the department the amount of  
36 tax due pursuant to section 42-5252, accompanied by an information return as  
37 prescribed by the department.

38 B. The department shall deposit, pursuant to sections 35-146 and  
39 35-147, all monies remitted pursuant to this article as follows:

40 1. Section 42-5252, subsection A, paragraphs 1, and 2 AND 3 in the  
41 emergency telecommunication services revolving fund.

42 2. Section 42-5252, subsection A, paragraph 3- 4 in the  
43 telecommunication fund for the deaf.

1        Sec. 4. Study committee on Arizona's 911 system; report

2        A. A study committee on Arizona's 911 system is established consisting  
3 of:

4            1. Six members of the senate who are appointed by the president of the  
5 senate, not more than three of whom are members of the same political party.  
6 The president of the senate shall select one of these members to serve as  
7 cochairperson of the study committee.

8            2. Six members of the house of representatives who are appointed by  
9 the speaker of the house, not more than four of whom are members of the same  
10 political party. The speaker of the house of representatives shall select  
11 one of these members to serve as cochairperson of the study committee.

12            B. The study committee shall examine and hold hearings regarding:

13            1. The necessity of and requirements for maintaining and upgrading the  
14 current 911 system.

15            2. The funding mechanisms utilized by the state of Arizona to provide  
16 services and equipment required to handle 911 calls.

17            3. The cost estimates for maintaining and upgrading the current 911  
18 system.

19            4. Recommendations for funding mechanisms to cover the maintenance and  
20 upgrades of the current 911 system, including reviewing the advisability of  
21 segregating the emergency telecommunications services revolving fund  
22 established by section 41-704, Arizona Revised Statutes, between wire and  
23 wireless providers.

24            C. On or before December 1, 2001, the committee shall submit a report  
25 to the governor, the president of the senate and the speaker of the house of  
26 representatives that includes the study committee's recommendations for  
27 statutory changes, if any, regarding Arizona's 911 system. The study  
28 committee shall provide a copy of the report to the secretary of state and  
29 the director of the Arizona state library, archives and public records.

30            D. Legislative staff shall provide services to the study committee as  
31 the study committee deems necessary.

32        Sec. 5. Delayed repeal

33        Section 4 of this act, relating to the study committee on Arizona's 911  
34 system, is repealed from and after December 31, 2001.

35        Sec. 6. Requirements for enactment; two-thirds vote

36        Pursuant to article IX, section 22, Constitution of Arizona, this act  
37 is effective only on the affirmative vote of at least two-thirds of the  
38 members of each house of the legislature and is effective immediately on the  
39 signature of the governor or, if the governor vetoes this act, on the  
40 subsequent affirmative vote of at least three-fourths of the members of each  
41 house of the legislature.

~~APPROVED BY THE GOVERNOR MAY 7, 2001.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2001.~~

Passed the House March 19, 2001,

by the following vote: 44 Ayes,

10 Nays, 6 Not Voting  
Article 17, Section 22

Jake Flake  
Speaker of the House  
Pro Tempore

Norman L. Moore  
Chief Clerk of the House

Passed the Senate April 24, 2001,

by the following vote: \_\_\_\_\_ Ayes,

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

H.B. 2625

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

ON RECONSIDERATION

Passed the House \_\_\_\_\_, 20\_\_\_\_,

by the following vote: \_\_\_\_\_ Ayes,

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

Passed the Senate May 1, 2001,

by the following vote: 20 Ayes,

8 Nays, 2 Not Voting

With Article IX, sec. 22  
\_\_\_\_\_  
President of the Senate

Charmine Bellington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

S.B. 2625

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

May 02, 2001,

by the following vote: 49 Ayes,

6 Nays, 5 Not Voting  
Article 18, Section 22

[Signature]  
Speaker of the House  
Norman L. Moore  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

2 day of May, 2001,

at 2:18 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 7 day of

May, 2001,

at 3:22 o'clock P M.

[Signature]  
Governor of Arizona

H.B. 2625

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 8 day of May, 2001,

at 2:35 o'clock P M.

[Signature]  
Secretary of State